

Company Registration No 07530497
(England and Wales)

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Annual Report and Financial Statements
For the year ended 31 August, 2013

MONDAY



A33TK08Z

A17

17/03/2014

#25

COMPANIES HOUSE

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

CONTENTS

	<u>Page</u>
Reference and Administrative Details	1
Trustee's Report	2 - 6
Governance Statement	7 – 8
Statement on Regularity, Propriety and compliance	9
Statement of Trustee's Responsibilities	10
Independent Auditor's Report	11 – 12
Independent Auditor's Report on Regularity	13
Statement of Financial Activities incorporating Income & Expenditure Account	14
Balance Sheet	15
Cash Flow Statement	16
Notes to the Financial Statements, incorporating Accounting policies	17 - 31

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Trustees

J S Puri
B P W Radford
R J Stephenson

Registered Office

Bradworthy Primary Academy
Mill Road
Bradworthy
Holsworthy
Devon
EX22 7RT

Company Registration Number

07530497

Auditors

Thompson Jenner LLP
28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Trustee's Report

The Trustee's present their annual report together with the audited financial statements of the Academy for the year ended 31 August 2013

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The Governors act as the trustees for the charitable activities of Bradworthy Primary Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Bradworthy Primary Academy.

Details of the Trustee's who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustee's Indemnities

The Academy has Indemnity insurance for Trustee's limited to £1,000,000.

Principal Activities

The principal activity of the Charitable Company is to advance, for the public benefit, education in Bradworthy by establishing, maintaining and operating a school offering a broad curriculum.

Method of Recruitment and Appointment or Election of Trustees

The Trustee's are Directors of the Charitable Company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation.

The articles of association require the Trustees of the Charitable Company to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy. Up to twelve Governors may be appointed by the Members. The Members may also appoint up to three staff (not including the principal) provided the total number of Governors (including the principal) who are employees of the Academy does not exceed one third of the total number of Governors. The Local Authority, being Devon County Council may appoint up to one LA Governor. A minimum of two and up to four parent governors may be appointed and are elected by the parents of the registered pupils at the Academy. Finally The Secretary of State may appoint additional Governors as he thinks fit if the Secretary of State has given the Governors a warning notice and the Governors have failed to comply or secure compliance, with the notice to the satisfaction of the Secretary of State. Governors' term of office is four years but they are eligible for re-election at the meeting at which they retire.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Trustee's have continued to take a full and appropriate role in the work and development of the academy. Over many years they have developed the experience and skill base required to effectively aid the academy in its work.

In this period this has included full consideration of the various legislations involved in this process, including a new set of financial regulations and controls, and responsibilities for areas such as safeguarding and health and safety.

They have ensured effective progress towards the academy's development aims, and made appropriate provision for the proper allocation of funds, staff and other resources which support this.

The trustee's have properly fulfilled their monitoring roll during this period, visiting the academy to experience teaching and learning, and meet with staff and children to consider both practice and development.

This period has involved a relatively high turn-over of staff and a period of high pupil mobility. The Trustee's have been fully involved in supporting the various interview processes and arrangements needed to ensure stability and development throughout.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Trustees' Report (continued)

The Trustee's have developed and applied the skills required to support a successful bid for a major building development funding. The project, which involves the construction of a school hall and additional work space, was underway at the end of this period and is due for completion in 2014, within the agreed time-frame.

During the financial year to 31 August 2013 the Trustee's held seven full meetings.

Risk Management

The Trustee's have assessed the major risk to which the Academy is exposed and a risk register has been established. The Trustee's are implementing systems to assess the risks that the Academy faces, especially in the operational area (e.g. in relation to teaching, school trips, child protection, health and safety) and to the control of finance. They have reviewed systems including operational procedures (e.g. vetting of new staff and visitors, building control) and internal financial controls in order to minimise risk.

Objectives and Activities

The principal objectives and activities of the Charitable Company are the operation of the Academy known as Bradworthy Primary Academy and to provide a differentiated free education for students between the ages of 4 and 12. In setting the objectives and planning the activities the Trustee's have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Objectives

The main objectives of the Academy during the year ended 31 August 2013 are summarised below:

- to deliver high quality education and care to all students within the Academy,
- to maintain and enhance the standards and achievements of all pupils,
- to include and meet the needs of all pupils whatever their educational need,
- to review and enrich the curriculum to provide a broad and balanced curriculum,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Strategy

The Academy's main strategy is to create and promote a happy and enriching learning environment by working in partnership with parents and the community that will inspire children to achieve high standards. The Academy hopes that by celebrating the children's achievements, helping them fulfil their potential, respecting their differences and encouraging kindness, consideration and respect for each other and their environment, we will foster self-esteem and provide a sound foundation for their future life. The Academy aims to do its very best to offer a broad and balanced curriculum and a large range of extra-curricular activities.

The Academy has reviewed its development plan and is setting a new five-year plan, which details how it intends to achieve the aims and objectives. The activities provided include:

- teaching and learning opportunities to ensure each child achieves to their full potential,
- training opportunities for all staff,
- a programme of enrichment and extension activities for all students,
- developing strong collaborative partnerships with other schools and organisations.

Public Benefit

The Trustee's confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Organisational Structure

The Trustee's are responsible for setting general policy, adopting a development plan and budget, monitoring the Academy through close liaison with and reporting from the head teacher and through personal observations by visits to the school, making major decisions about the strategic direction of the Academy including capital expenditure and involvement in staff appointments in consultation with the Head Teacher.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Trustees' Report (continued)

The Trustee's are appointed in line with articles 50 to 64 within the Memorandum of Association. When appointing new Trustee's the Governing Body recognises the need to have a wide range of skills amongst the Trustee's

The Head Teacher is the Accounting Officer for the Academy

Achievements and Performance

We have continued to work to embed our academy's ethos which outlines and explains the educational philosophy in which we believe, and which forms the corner-stone of our current work and the academy's future development

The closure of a local school and the controversial manner in which the Local Authority has conducted this and the reallocation of designated areas as they relate to school transport has created a great deal of instability and concern. The Trustee's have been fully engaged in ensuring that potentially undermining developments, linked to this, have not impacted negatively on the work and development of the academy during this period.

Academic standards have remained consistently high throughout this period, as they have been for many years, and the Summer 2013 Key Stage Two SAT results placed our pupils within the top 8% of schools nationally. This was the case in respect of both our "value added measure", which measures progress across the academy, and in terms of the level that the children achieved, where both the number of children achieving greater than Level Four, and the number of children achieving the higher Level Five, and better, were significantly above average. Analysis of groups has shown the performance of both boys and girls to be above national averages.

Children in the "free school meals" group and those on the special educational needs register have made very good progress across the academy.

Rates of attendance have been very good and there have been no exclusions during this period.

The academy has taken part in a large scale training initiative leading to the use of "Thrive" to analyse pupils' emotional well-being and sense of self worth. This is a central to our ethos which recognises the development of individuals in the fullest sense, rather than in simple academic terms. Outcomes are very strong.

The academy has continued to place a great emphasis on our extended curriculum, offering a huge range of heavily subsidised activities and trips, both within and beyond, the school day because we believe that this a very positive effect on the children's development as rounded individuals as well as on academic standards. We have worked hard to embed this approach to learning and in support of this, and with the help of our pupil premium, we now fund and operate two minibuses which we subsidise so that they may be used freely by all children.

Sport has been a central part of our work throughout this period. We employ specialist teachers and coaches to ensure that all children achieve high standards and enjoy regular access, older children are achieving at least five hours of activities based on sport and fitness. Teams have represented the academy in most traditional sports with high levels of success in rugby, hockey, football and cross country running both locally and in regional competitive events. We have also developed, and extended, our curriculum so that children have access to a range of adventurous activities and forest school.

The creative arts are key to our work and we employ specialist teachers who support and extend the children's work in music, art and drama. Free tuition is offered on a weekly basis and supports brass band, ukulele choir and guitar groups. We have produced a large scale Christmas Musical based on The Hobbit, an art exhibition and a number of different concerts with the children performing regularly, with enthusiasm and to a very high standard.

Careful budgeting and a growing school roll have enabled us to fully embed our seventh teaching group so that all children can be taught in single age groups. Average Class sizes have been low at twenty two through most of this period, however the closure of a small local school is likely to affect this during 2013/14.

The academy has continued to offer a free childcare service throughout this period, opening from 8.00am until 5.30pm each day, in support of the local community so that parents and carers can attend work and training without the constraints of a short school day or the prohibiting factors of expensive childcare.

The academy has continued to take an active role in local community life. This has included the use of its facilities and grounds by local groups, the use of the village hall, church and chapel for various events, support for aspects of local development such as the play area and housing initiatives, and regular contributions to the village newspaper.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Trustees' Report (continued)

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the balance sheet date as well as the number of pupils at the school as this is what the DfE funding is based on.

Financial Review

The majority of the Academy's income is obtained from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2013 and the associated expenditure is shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2013, total expenditure of £684,436 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess for the year ended 31 August 2013 was £74,751.

Financial and Risk Management Objectives and Policies

The Trustees examine the financial health formally every half term, reviewing performance against budgets and overall expenditure. Regular update reports are also given at full Trustees' meetings.

The Trustees review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

Principal Risks and Uncertainties

Income

As the Academy has one main funder, being the DfE, there is a reliance on this funding remaining at a level sufficient to cover the financial requirements of the Academy. This is outside the control of the Academy.

Pupil numbers

As the DfE funding is based on pupil numbers, the Academy is reliant on the demographics of the catchment areas and parental preference.

Cashflow risk

The Academy currently considers that it has sufficient cash reserves for normal day to day operations.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of the reserves. The Trustees consider that unrestricted reserves of £58,362 are appropriate to cover unexpected costs with a possibly higher carry forward for specific capital projects.

Plans for Future Years

The management of the development of our buildings project to its successful completion in spring 2014 is of prime importance. This will provide a new school hall and additional teaching space for early year's children.

Projections suggest that our roll will continue to increase leading to continuing problems with overcrowding, which will inevitably preclude many activities and prove a bar to continued development in many areas. Toilet facilities are inadequate, there is a lack of space for staff to work in, no Headteacher's office and no available areas for private meetings. All of the above will form the basis of an attempt to obtain additional funds for buildings work.

We intend to accept student placements from trainee teachers for the first time in 2013/14.

Detailed development plans, which cover these areas, and other areas, such as staff reorganisation and responsibilities, staff appraisal in response to the new teaching standards and pay policy, teaching and learning, assessment and reporting, sport and health and integrated topics which properly reflect our ethos, have been prepared.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Trustees' Report (continued)

Auditor

In so far as the Trustees are aware

- there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

A resolution proposing that Thompson Jenner LLP be reappointed as auditors of the Academy will be put to the Annual General Meeting

Approved by order of the Board of Trustees on 31.12.13 and signed on its behalf by



B P W Radford
Chair

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Bradworthy Primary Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Bradworthy Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met seven times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
J S Purl	6	7
B P W Radford	7	7
R J Stephenson	6	7

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Bradworthy Primary Academy for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on going process for identifying, evaluating and managing the Academy significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The Academy system of internal financial controls is based on a framework of regular management information and administrative procedures including the segregation of duties where appropriate and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- regular reviews of reports which indicate financial performance against the forecast and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties where appropriate,
- identification and management of risks.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Governance Statement (continued)

Review of Effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

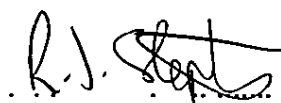
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the finance staff with the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the board of trustees on 31 12 13 and signed on its behalf by



B P W Radford
Chair



R J Stephenson
Accounting Officer

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Bradworthy Primary Academy I have considered my responsibility to notify the Academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Governing Body are able to identify any material irregular or improper use of funds by the Academy trust, or material non-compliance with the terms and conditions of funding under the Academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to this date.



R J Stephenson
Accounting officer

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Statement of Trustees' Responsibilities

The Trustees (who act as governors of Bradworthy Primary Academy and are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Academy and of the incoming resources and application of resources, including the income and expenditure, for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business

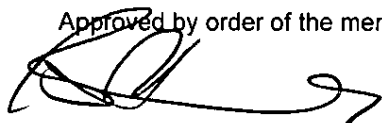
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 31.12.13

and signed on its behalf, by



B P W Radford
Chair

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Independent Auditor's Report to the Members of Bradworthy Primary Academy

We have audited the financial statements of Bradworthy Primary Academy for the year ended 31 August 2013 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2012/13 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees' and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 10, the Trustees (who act as governors of Bradworthy Primary Academy and are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Opinion on other matter prescribed by the academy's funding agreement with the Secretary of State for Education

In our opinion grants made by the Education Funding Agency have been applied for the purposes intended.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Mr Simon Lewis

For and on behalf of Thompson Jenner LLP, Statutory Auditor

28 Alexandra Terrace

Exmouth

Devon

EX8 1BD

Date 31 12 13

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Independent Auditor's Report on Regularity to the Governing Body of Bradworthy Primary Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 19 December 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Bradworthy Primary Academy during the year ended 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Bradworthy Primary Academy and the EFA in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to Bradworthy Primary Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bradworthy Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of the governing body and Auditors

The accounting officer is responsible, under the requirements of Bradworthy Primary Academy's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2013 have not been applied to purposes intended by Parliament or that financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure

Opinion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Mr Simon Lewis
For and on behalf of Thompson Jenner LLP, Statutory Auditor
 28 Alexandra Terrace
 Exmouth
 Devon
 EX8 1BD

Date **31.12.13**

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Statement of Financial Activities for the year ended 31 August, 2013
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Total 2012 £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income	2	1,892	16,654	-	18,546	1,256,961
Activities for generating funds	3	2,500	41,833	-	44,333	64,835
Investment income	4	273	-	-	273	189
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	5	-	602,835	93,200	696,035	901,007
Total incoming resources		<u>4,665</u>	<u>661,322</u>	<u>93,200</u>	<u>759,187</u>	<u>2,222,992</u>
Resources expended						
<i>Cost of generating funds</i>						
Costs of generating voluntary income		-	25,336	-	25,336	38,303
<i>Charitable activities</i>						
Academy's educational operations	7	-	628,539	23,836	652,375	902,832
Governance costs	8	-	6,725	-	6,725	9,693
<i>Other resources expended</i>						
Transfer from Local Authority on conversion		-	-	-	-	90,000
Total resources expended		<u>-</u>	<u>660,600</u>	<u>23,836</u>	<u>684,436</u>	<u>1,040,828</u>
Net incoming/(outgoing) resources before transfers		4,665	722	69,364	74,751	1,182,164
Gross transfers between funds	15	-	(7,425)	7,425	-	-
Net income/(expenditure) for the year		4,665	(6,703)	76,789	74,751	1,182,164
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	15,24	-	(5,000)	-	(5,000)	(41,000)
Net movement in funds		4,665	(11,703)	76,789	69,751	1,141,164
Reconciliation of funds						
Funds brought forward at 1 September, 2012	15	53,697	(138,000)	1,225,467	1,141,164	-
Funds carried forward at 31 August, 2013		<u>58,362</u>	<u>(149,703)</u>	<u>1,302,256</u>	<u>1,210,915</u>	<u>1,141,164</u>

All of the Academy's activities derive from acquisitions in the current financial year


A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Balance Sheet as at 31 August, 2013

	Notes	<u>2013</u> £	<u>2013</u> £	<u>2012</u> £	<u>2012</u> £
Fixed assets					
Tangible assets	12		1,249,230		1,225,467
Current assets					
Debtors	13	16,538		34,580	
Cash at bank and in hand		<u>130,161</u>		<u>39,940</u>	
		146,699		74,520	
Creditors Amounts falling due within one year	14	<u>(31,014)</u>		<u>(20,823)</u>	
Net current assets			<u>115,685</u>		<u>53,697</u>
Total assets less current liabilities			<u>1,364,915</u>		<u>1,279,164</u>
Net assets excluding pension liability			1,364,915		1,279,164
Pension scheme liability	24		<u>(154,000)</u>		<u>(138,000)</u>
Net assets including pension liability			<u>1,210,915</u>		<u>1,141,164</u>
Funds of the Academy					
Restricted funds					
Fixed asset fund(s)	15		1,302,256		1,225,467
General fund(s)	15		4,297		-
Pension reserve	15		<u>(154,000)</u>		<u>(138,000)</u>
Total restricted funds			1,152,553		1,087,467
Unrestricted funds	15		<u>58,362</u>		<u>53,697</u>
Total funds			<u>1,210,915</u>		<u>1,141,164</u>

The financial statements on pages 14 to 31 were approved by the trustees, and authorised for issue on and are signed on their behalf by



B P W Radford 31.12.13
Chair

Company Limited by Guarantee
Registration Number 07530497

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Cash Flow Statement for the year ended 31 August, 2013

	Notes	<u>2013</u> £	<u>2012</u> £
Net cash inflow from operating activities	19	44,347	107,290
Returns on investments and servicing of finance	20	273	189
Capital expenditure	21	<u>45,601</u>	<u>(67,539)</u>
(Decrease)/Increase in cash in the year	22	<u>90,221</u>	<u>39,940</u>
Reconciliation of net cash flow to movement in net funds			
Net funds as at 1 September, 2012		<u>39,940</u>	<u>-</u>
Net funds as at 31 August, 2013		<u>130,161</u>	<u>39,940</u>

All of the cash flows are derived from acquisitions in the current financial year

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Incoming Resources

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the year in which it is receivable, where there is certainty of receipt.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

- **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross value in the year in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy's policies.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

1 Accounting Policies (continued)

Resources Expended

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the Academy's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful lives, as follows:

Long leasehold land & buildings	2% Straight line basis
Fixtures, fittings and equipment	20% Straight line basis
Computer equipment	20% Straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

1 Accounting Policies (continued)

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency/Department for Education.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

2 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Transfer from Local Authority on conversion	-	-	-	1,220,546
Other donations	<u>1,892</u>	<u>16,654</u>	<u>18,546</u>	<u>36,415</u>
	<u>1,892</u>	<u>16,654</u>	<u>18,546</u>	<u>1,256,961</u>

3 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Hire of facilities	2,500	-	2,500	3,600
Catering income	-	35,094	35,094	55,796
Other income	-	<u>6,739</u>	<u>6,739</u>	<u>5,439</u>
	<u>2,500</u>	<u>41,833</u>	<u>44,333</u>	<u>64,835</u>

4 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Short term deposits	<u>273</u>	<u>-</u>	<u>273</u>	<u>189</u>

5 Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
DfE/EFA capital grant				
Academy main building grants	<u>-</u>	<u>93,200</u>	<u>93,200</u>	<u>44,500</u>
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	559,665	559,665	763,773
Start Up Grants	-	-	-	25,000
Other DfE/EFA grants	<u>-</u>	<u>33,142</u>	<u>33,142</u>	<u>39,883</u>
	<u>-</u>	<u>592,807</u>	<u>592,807</u>	<u>828,656</u>
Other Government grants				
Local Authority grants	<u>-</u>	<u>10,028</u>	<u>10,028</u>	<u>8,068</u>
Other Academy Income				
Income from teaching secondments	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,783</u>
	<u>-</u>	<u>696,035</u>	<u>696,035</u>	<u>901,007</u>

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

6 Resources expended

	Staff Costs £	Non Pay Premises £	Expenditure Other Costs £	Total 2013 £	Total 2012 £
Costs of generating voluntary income	-	-	25,336	25,336	38,303
Academy's educational operations					
Direct costs	417,762	-	36,531	454,293	686,891
Allocated support costs	<u>105,873</u>	<u>55,406</u>	<u>36,803</u>	<u>198,082</u>	<u>215,941</u>
	<u>523,635</u>	<u>55,406</u>	<u>98,670</u>	<u>677,711</u>	<u>941,135</u>
Governance costs including allocated support costs	-	-	6,725	6,725	9,693
	<u>523,635</u>	<u>55,406</u>	<u>105,395</u>	<u>684,436</u>	<u>950,828</u>

The method used for the apportionment of support costs is disclosed in the accounting policies

	2013 £	2012 £
Incoming/outgoing resources for the year include:		
Operating leases	8,595	9,510
Fees payable to auditor		
Audit	5,000	5,000
Other services	4,463	990
Profit/(loss) on disposal of fixed assets	-	<u>2,159</u>

7 Charitable Activities – Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Direct costs				
Teaching and educational support staff costs	-	417,762	417,762	643,042
Educational supplies	-	31,062	31,062	43,072
Staff development	-	<u>5,470</u>	<u>5,470</u>	<u>777</u>
	-	<u>454,294</u>	<u>454,294</u>	<u>686,891</u>
Allocation supported costs				
Support staff costs	-	105,786	105,786	106,469
Depreciation	-	23,836	23,836	5,135
Recruitment and support	-	87	87	1,054
Maintenance of premises and equipment	-	7,421	7,421	8,085
Cleaning	-	3,474	3,474	4,783
Rent and rates	-	5,168	5,168	2,350
Insurance	-	4,504	4,504	19,111
Catering	-	14,352	14,352	20,145
Motor expenses	-	9,996	9,996	9,223
Light, heat and power	-	11,003	11,003	10,083
Telephone and internet	-	1,539	1,539	6,923
Computer costs	-	2,727	2,727	2,469
Legal and professional	-	2,868	2,868	9,579
Accountancy costs	-	4,463	4,463	-
Printing, postage and stationery	-	440	440	4,322
Other expenses	-	417	417	8,369
Profit on disposal of fixed assets	-	-	-	<u>(2,159)</u>
	-	<u>198,081</u>	<u>198,081</u>	<u>215,941</u>
	-	<u>652,375</u>	<u>652,375</u>	<u>902,832</u>

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

8 Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Total 2012 £
Legal and professional fees	-	1,725	1,725	4,693
Auditor's remuneration				
Audit of financial statements	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
	<u>-</u>	<u>6,725</u>	<u>6,725</u>	<u>9,693</u>

9 Staff costs

	2013 £	2012 £
Staff costs during the year were		
Wages and salaries	408,828	583,273
Social security costs	25,858	38,546
Pension costs	<u>64,219</u>	<u>91,570</u>
	498,905	713,389
Supply teacher costs	<u>13,643</u>	<u>29,123</u>
	<u>512,548</u>	<u>742,512</u>

The average number of persons (including senior management team) employed by the Academy during the year, and the full time equivalents was as follows

	Number 2013	Full-time equivalent 2013	Number 2012	Full-time equivalent 2012
Charitable Activities				
Teachers	13	13	12	12
Administration and support Management	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>
	<u>29</u>	<u>29</u>	<u>28</u>	<u>28</u>

There were no employees that received emoluments of greater than £60,000 during the year

Twelve of the above employees participated in the Teacher's Pension Scheme. During the year ended 31 August 2013, the pension contributions for these staff amounted to £38,342 (2012 £59,505). Eighteen other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £26,000 (2012 £34,000).

10 Trustees' Remuneration and Expenses

The Principal and staff trustees' only received remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows

R Stephenson (principal and trustee) £55,000 - £60,000 (2012 £70,000 - £75,000)

During the year ended 31 August 2013, travel and subsistence expenses totalling £- (2012 £-) were reimbursed to Trustees

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £6,390 (2012 £6,420).

The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Leasehold Land and Buildings £	Assets under Construction £	Furniture and Equipment £	Computer Equipment £	Total £
Cost					
At 1 September, 2012	1,206,092	-	19,860	4,650	1,230,602
Additions	-	40,174	355	7,070	47,599
At 31 August, 2013	1,206,092	40,174	20,215	11,720	1,278,201
Depreciation					
At 1 September 2012	-	-	3,972	1,163	5,135
Charged in year	17,094	-	4,037	2,705	23,836
At 31 August, 2013	17,094	-	8,009	3,868	28,971
Net book values					
At 31 August, 2013	1,188,998	40,174	12,206	7,852	1,249,230
At 31 August, 2012	1,206,092	-	15,888	3,487	1,225,467

13 Debtors

	2013 £	2012 £
Other debtors	3,543	-
Prepayments and accrued income	9,650	-
VAT recoverable	3,345	34,580
	<u>16,538</u>	<u>34,580</u>

14 Creditors: Amounts falling due within one year

	2013 £	2012 £
Other taxation and social security	16,806	15,823
Accruals	14,208	5,000
	<u>31,014</u>	<u>20,823</u>

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

15 Funds

	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2013 £
Restricted general funds					
General Annual Grant (GAG)	-	559,665	(547,943)	(7,425)	4,297
Other DfE/EFA Grants	-	33,142	(33,142)	-	-
Other restricted funds	-	41,833	(41,833)	-	-
Other Government Grants	-	10,028	(10,028)	-	-
Other donations	-	16,654	(16,654)	-	-
	-	661,322	(649,600)	(7,425)	4,297
Pension reserve	(138,000)	-	(11,000)	(5,000)	(154,000)
	(138,000)	661,322	(660,600)	(12,425)	(149,703)
Restricted fixed asset funds					
DfE/EFA capital grant	44,500	93,200	(890)	-	136,810
Capital expenditure from unrestricted funds	45,188	-	(904)	-	44,284
Capital expenditure from GAG	-	-	(1,607)	7,425	5,818
Fixed assets from predecessor school	1,135,779	-	(20,435)	-	1,115,344
	1,225,467	93,200	(23,836)	7,425	1,302,256
Total restricted funds	1,087,467	754,522	(684,436)	(5,000)	1,152,553
Unrestricted funds	53,697	4,665	-	-	58,362
Total funds	1,141,164	759,187	(684,436)	(5,000)	1,210,915

The specific purposes for which the funds are to be applied are as follows

General Annual Grant (GAG) – This fund includes income from the EFA which is to be used for the running costs of the Academy, including education and support costs. Under the funding agreement with the Secretary of State, the Academy trust was not subject to a limit on the amount of GAG that could be carried forward at 31 August 2013.

Other DfE/EFA Grants – Pupil Premium, Academy Insurance, Capital Devolved and Specialist School Funding grant income from the EFA/DfE. The Pupil Premium grant is to provide extra education for the more disadvantaged pupils at the Academy. The Academy insurance grant is to cover the cost of the Academy's combined insurance policy. The Capital Devolved Grant is to be used to maintain and improve the Academy's facilities. Finally the Specialist School Funding grant is provided to enhance its existing resources to assist the academy with special educational needs.

Other Restricted Funds - This includes income from the provision of catering services provided by the school.

Other Government Grants – Grant income from the Local Authority to help with the provision of education.

Pension Reserve – This fund represents the pension deficit for Local Government Pension Scheme (LGPS) as revalued in note 24.

DfE/EFA capital grants – Grants from the EFA/DfE to be spent on capital related expenditure.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

15 Funds (continued)

Capital expenditure from GAG – This fund includes transfers from the GAG restricted fund for capital related expenditure

Fixed assets from predecessor school – This fund relates to the transfer of fixed assets on conversion to academy status from the previous school

16 Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	1,249,230	1,249,230
Current assets	58,362	35,311	53,026	146,699
Current liabilities	-	(31,014)	-	(31,014)
Pension scheme liability	-	(154,000)	-	(154,000)
Total net assets	58,362	(149,703)	1,302,256	1,210,915

17 Capital Commitments

	2013 £	2012 £
Contracted for, but not provided in the financial statements	307,825	-

18 Financial Commitments

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows -

	2013 £	2012 £
Other		
Less than one year	1,228	-
Expiring within two and five years inclusive	<u>7,028</u>	<u>7,481</u>

19 Reconciliation of net income to net cash inflow from operating activities

	2013 £	2012 £
Net income (excluding pension liability transferred on conversion)	74,751	1,272,162
Depreciation and profit on disposal	23,836	2,976
Capital grants from DfE and other capital income	(93,200)	(1,160,904)
Interest receivable (note 4)	(273)	(189)
FRS 17 pension cost less contributions payable (note 24)	7,000	1,000
FRS 17 pension finance income (note 24)	4,000	6,000
(Increase)/decrease in debtors	18,042	(34,577)
Increase/(decrease) in creditors	<u>10,191</u>	<u>20,822</u>
Net cash inflow from operating activities	<u>44,347</u>	<u>107,290</u>

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

20	Returns on investments and servicing of finance	2013	2012
		£	£
	Interest received	<u>273</u>	<u>189</u>
	Net cash inflow from returns on investment and servicing of finance	<u>273</u>	<u>189</u>
21	Capital expenditure and financial investment	2013	2012
		£	£
	Capital grants from DfE/EFA	93,200	44,500
	Purchase of tangible fixed assets	(47,599)	-
	Transfer on conversion to Academy	-	(114,198)
	Receipts from sale of tangible fixed assets	<u>-</u>	<u>2,159</u>
	Net cash outflow from capital expenditure and financial investment	<u>45,601</u>	<u>(67,539)</u>
22	Analysis of changes in net funds		
		At 1	At 31
		September	August
		2012	2013
		£	£
	Cash in hand and at bank	<u>39,940</u>	<u>130,161</u>

23 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

24 Pension and similar obligations

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

Contributions amounting to £8,345 (2012 £7,601) were payable to schemes at 31 August and are included within creditors

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

24 Pension and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay as you go" basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and explanations (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the asset (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75% and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

24 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension Scheme (Continued)

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014/15. The increases were to be phased in from April 2012 on a 40 80 100% basis.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £34,000, of which employer's contributions totalled £26,000 and employees' contributions totalled £8,000.

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

24 Pension and similar obligations (Continued)

Principal Actuarial Assumptions

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	5.1%	4.1%
Rate of increase for pensions in payment/inflation	2.9%	1.9%
Discount rate for scheme liabilities	4.7%	3.9%
Inflation assumption (CPI)	2.9%	1.9%
Inflation assumption (RPI)	3.7%	2.7%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are

	At 31 August 2013	At 31 August 2012
<i>Retiring today</i>		
Males	20.6	20.5
Females	24.6	24.5
<i>Retiring in 20 years</i>		
Males	22.6	22.5
Females	26.5	26.4

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were -

	Expected Return at 31 August 2013	Fair value at 31 August 2013	Expected return at 31 August 2012	Fair value at 31 August 2012
Equities	7.0%	117,000	6.3%	84,000
Bonds	3.5%	25,000	2.8%	20,000
Property	6.0%	18,000	5.3%	8,000
Cash	0.5%	6,000	0.5%	7,000
Other assets	5.0%	<u>29,000</u>	4.7%	<u>21,000</u>
Total market value of assets		195,000		140,000
Present value of scheme liabilities				
Funded		<u>(349,000)</u>		<u>(278,000)</u>
Surplus/(deficit) in the scheme		<u>(154,000)</u>		<u>(138,000)</u>

The actual return on scheme assets was £13,000 (2012: £2,000)

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

24 Pension and similar obligations (Continued)

Amounts recognised in the statement of financial assets

	2013 £	2012 £
Current service cost (net of employee contributions)	<u>33,000</u>	<u>35,000</u>
Total operating charge	<u>33,000</u>	<u>35,000</u>

Analysis of pension finance income/(cost)

Expected return on pension scheme assets	8,000	10,000
Interest on pension liabilities	<u>(12,000)</u>	<u>(16,000)</u>
Pension finance income/(cost)	<u>(4,000)</u>	<u>(6,000)</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a (£46,000) gain/(loss) (2012 (£41,000) gain/(loss))

Movements in the present value of defined benefit obligations were as follows	2013 £	2012 £
Opening liabilities	278,000	173,000
Current service cost	33,000	35,000
Interest cost	12,000	16,000
Employee contributions	8,000	11,000
Actuarial (gain)/loss	<u>18,000</u>	<u>43,000</u>
At 31 August, 2013	<u>349,000</u>	<u>278,000</u>

Movements in the fair value of Academy's share of scheme assets

	2013 £	2012 £
Fair value on opening scheme assets	140,000	83,000
Expected return on assets	8,000	10,000
Actuarial gain/(loss)	13,000	2,000
Employer contributions	26,000	34,000
Employee contributions	<u>8,000</u>	<u>11,000</u>
At 31 August, 2013	<u>195,000</u>	<u>140,000</u>

The estimated value of employer contributions for the year ended 31 August 2014 is £26,000

BRADWORTHY PRIMARY ACADEMY
(A Company Limited by Guarantee)

Notes to the Financial Statements for the year ended 31 August, 2013 (continued)

24 Pension and similar obligations (Continued)

The five-year history of experience adjustments is as follows

	2013 £	2012 £
Present value of defined benefit obligations	(349,000)	(278,000)
Fair value of share of scheme assets	<u>195,000</u>	<u>140,000</u>
Surplus/(Deficit) in the scheme	<u>(154,000)</u>	<u>(138,000)</u>
Experience adjustments on share of scheme assets	<u>13,000</u>	<u>2,000</u>
Experience adjustments on scheme liabilities	<u>-</u>	<u>-</u>